

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 160
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
S.B. No. 160, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII NON-
GENERAL FUNDS,"

begs leave to report as follows:

The purpose of this measure is to improve fiscal
accountability at the University of Hawaii by:

- (1) Statutorily establishing the University of Hawaii Quasi-endowment Trust Fund;
- (2) Re-establishing the Hawaii Educator Loan Program Special Fund and Community Colleges Special Fund as revolving funds and transferring unencumbered special fund balances to the newly established revolving funds; and
- (3) Repealing the University of Hawaii Alumni Special Fund; Animal Research, Waialeale, Oahu Special Fund; Career and Technical Training Projects Revolving Fund; Senator Hiram K. Fong Scholarship Program Endowment Trust Fund; and Senator Oren E. Long Scholarship Program Endowment Trust Fund.

The University of Hawai'i supported the measure. The Office of the Auditor and Tax Foundation of Hawaii submitted comments.

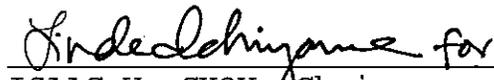


Your Committee has amended the measure by:

- (1) Reclassifying the Hawaii Educator Loan Program Special Fund and Community Colleges Special Fund as revolving funds through statutory amendments rather than repeal and re-establishment;
- (2) Deleting the annual lapse of unencumbered funds in the Hawaii Educator Loan Program Revolving Fund to the general fund;
- (3) Repealing the Hawaii Medical Education Special Fund, Discoveries and Inventions Special Fund, and Hawaii Health Corps Revolving Fund;
- (4) Reclassifying the Professional Student Exchange Program Special Fund as a revolving fund;
- (5) Abolishing the administratively established Hurricane Iniki Insurance Proceeds Special Fund, Agency Fund Trust Account, and University of Hawaii Okinawa Program Trust Fund; and
- (6) Making technical, nonsubstantive amendments, including conforming amendments, for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 160, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 160, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,


ISAAC W. CHOY, Chair



